Investment Guide

The Guardian Lifestyle Plan

From October 2023

Further information
www.legalandgeneral.com/theguardianlifestyleplan

Introduction to the Plan

This investment guide is designed to help you understand the investment options available to you as a member of The Guardian Lifestyle Plan

You have control and choice over how your Lifestyle Account is invested and by understanding the options available you will be able to take ownership of your retirement savings and make key decisions with confidence.

When you're many years away from retiring it generally makes sense to invest your **Lifestyle Account** (see glossary) mainly in growth assets, such as **equities** (see glossary). However, as you get closer to retirement you need to think carefully about how you are most likely to use your Lifestyle Account, and invest it accordingly, perhaps after taking advice. This is important for all members, whether your Lifestyle Account is invested in the automatic default arrangement or if you decide to make your own investment choices.

This guide will help you understand the different types of investments, the risks and rewards associated with each type of investment, and how to select the investment choices that will best support your long-term saving objectives.

The Members' Guide explains the different benefit options available and how you can use your Lifestyle Account. It is important to give some consideration to which of the benefit options is most suitable for you as certain investment choices better suit certain benefit options.

This guide discusses the different topics and considerations in the context of how you can manage your Lifestyle Account as part of your long-term savings plan rather than discussing investments in isolation.

Every effort has been made to avoid the use of technical jargon. It is not possible to avoid the jargon entirely and so a **glossary** is included at the back of this guide which provides an explanation of the key words used throughout this guide.

To find out more about investments and saving for retirement, or if you have any questions about The Guardian Lifestyle Plan please visit **www.legalandgeneral.com/theguardianlifestyleplan** or call 0345 678 0297.

The Guardian Lifestyle Plan: For every step of the journey

Introduction to investments

Further information
www.legalandgeneral.com/theguardianlifestyleplan

Understanding the basics

What is investing?
The main objective of investing is to make your money work for you. This can mean making your money grow over time or it can mean preserving the value of your money. Investing is not without risk and therefore neither of these objectives can be guaranteed. However, as explained throughout this Investment Guide, the level of risk associated with the Plan's investment funds is believed to be suitable for pension scheme members.

There are lots of different types of investments such as cash, bonds, **government bonds** (see glossary) and company shares. The different types of investments are discussed in more detail later in this guide.

As an investor, you will take some financial risks with the objective of achieving a financial reward. You therefore need to consider the level of investment risk you're prepared to take when you decide how to invest your **Lifestyle Account** (see glossary).

The topic of investment risk and reward is covered in greater detail in the next section of the Investment Guide.

What is an investment fund?
One of the most common ways to invest a pension plan is through an investment fund. Investment funds are controlled by a fund manager and the fund manager decides, on your behalf, how the money should be invested.

The investment fund will hold a number of different investments. For example, an equity fund will hold the shares of many companies rather than just one company. In this way the risk of poor performance is reduced because the risk is spread across a number of companies.

Investment funds are all different from one another. They often have different aims and so the outcomes are also expected to be different. An investment fund is divided into a number of small parts called units and as a member of the Plan your contributions will be used to buy units.

The units have a price and this is commonly referred to as the unit price. If the unit price increases, the value of your Lifestyle Account will go up. Similarly, if the unit price falls, so will the value of your Lifestyle Account.

Understanding the risk and reward trade-off

What is investment reward?
Investment reward refers to how much you can expect your investments to grow. Different types of investment funds will have a different level of expected reward. The level of reward is linked to the level of investment risk.

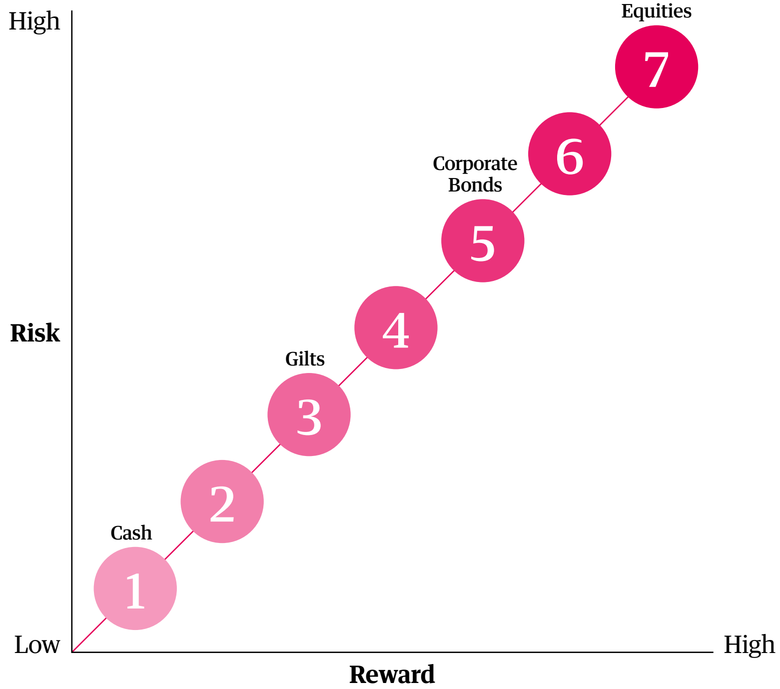
What is investment risk?
Almost all investment involves some degree of risk. Investment risk is a measure of how likely it is that the investment will perform as expected. The lower the level of risk the more likely it is that the investment will perform as expected. For example, if you put your money in a bank account, there's almost no risk, as you canexpect to receive the interest.

On the other hand, if you invest your money in the shares of a single company then the level of risk is higher as you're dependent on that company's performance. If something happens to the company, it will change the value of your shares, and in the extreme you could lose all your money. However, if the company is successful then there is scope for the reward to be much higher.

Balancing risk and reward
Generally speaking the higher the level of investment risk the higher the level of potential reward. For example, when you put money into a bank account you expect your money to be safe. Therefore, the interest you receive, the reward, will probably be quite low.

In the example of investing in the shares of a company there is much less certainty over how the company will perform and so the reward could be high but equally it might not happen. You are therefore taking greater risk in exchange for a higher potential reward.

Risk and reward



Understanding your attitude to investment risk

It's important that you understand and are comfortable with the level of investment risk that you're taking. Generally speaking when you are younger it makes sense to take more investment risk as there is time to make up any losses. As you approach the point of wanting to use the money in your **Lifestyle Account** (see glossary) it could make sense to reduce the level of risk so that you have more certainty over the value of your Lifestyle Account. The Plan offers a range of investment funds with different levels of risk so that you can invest in a way that suits your personal preferences.

More information about the Plan's investment options is included in this guide and there is also lots of information available on the Plan's website.

By logging into **Manage Your Account** you can make all of your investment decisions and you can also access a tool to help you understand your attitude to investment risk which is an important factor when making investment decisions.

Investment objectives

There are two main investment objectives. Which one applies to you will depend on how close you are to your Target Retirement Age

The Growth Objectives

The Growth Objective applies during the period before you start to think seriously about how you want to use your Lifestyle Account. Typically this can be thought of as the period before you are 10 years away from your **Target Retirement Age**.

Your main objective will be to achieve a good return on your investments without taking more risk than you're comfortable with.

As explained in the Members' Guide, when you first join the Plan your contributions will be invested in the **Early Growth Fund** or the **Core Growth Fund** depending on how far away you are from your Target Retirement Age. These funds are the component of the **Default Investment Strategy** designed to deliver growth and increase the value of your Lifestyle Account.

If you are comfortable with the level of risk and reward associated with your allocations to the Early Growth Fund or Core Growth Fund, then you may decide that you are happy for your contributions to carry on being invested in this way.

If you decide that you would be more comfortable with a lower level of risk or that you'd be willing to take a higher level of risk, then you can choose your own investment funds so that the level of investment risk is more closely aligned to your personal preferences. You can learn more about this option in the **Self-Select Funds** section of this guide.

The Consolidation Objective

This phase covers the period from when you are 10 years away from your **Target Retirement Age**, as you will be starting to think about how you intend to use the money in your Lifestyle Account. For a reminder of the benefit options available you can refer to the Members' Guide or visit the Plan **website**.

The investment objective during this phase is for your investments to be held in investment funds that are suitable for your preferred benefit option.

Selecting your own investment funds to meet this objective can be difficult. For this reason the Plan operates three **Automatic Switching Strategies** which are designed with each of the benefit options in mind. These strategies are discussed in greater detail later in the Investment Guide.

Alternatively you might prefer to select your own investment funds from the range of **Self-Select Funds**. These options are also discussed in greater detail later in the Investment Guide.

Automatic Switching Strategies

Further information
www.legalandgeneral.com/theguardianlifestyleplan

What is an Automatic Switching Strategy?

An Automatic Switching Strategy is designed for members who know how they want to use their Lifestyle Account but do not want to make their own investment choices

The Plan operates three Automatic Switching Strategies.
Each of the three strategies initially invests your contributions in the **Early Growth Fund**. When you are 20 years from your **Target Retirement Age** your investment allocation will start to move into the **Core Growth Fund**. Then, when you are 10 years from your Target Retirement Age your investment allocation will automatically move into investment funds suitable for the benefit option associated with each strategy.

The three Automatic Switching Strategies are listed below:

- **Target Drawdown Strategy** (the Default Investment Strategy)
- **Target Annuity Strategy**
- **Target Cash Strategy**

The Target Drawdown Strategy is the Plan's Default Investment Strategy and unless you make an alternative choice then your Lifestyle Account will be managed in line with this strategy.

3 Automatic switching strategies

Default TRA	Your 65th birthday (but you can choose your own)		
The Strategies	**Target Drawdown Strategy**	**Target Annuity Strategy**	**Target Cash Strategy**
Default Investment Strategy	✓	✗	✗

What is an Automatic Switching Strategy?

Is an Automatic Switching Strategy right for you?

The Automatic Switching Strategies are most suitable for members who have a clear understanding of their retirement goals - this includes both how they want to use their Lifestyle Account and when they want to do so. If you invest in one of the Automatic Switching Strategies and your retirement goals change, you can select a different strategy at any time or you can update your **Target Retirement Age** to better reflect your personal circumstances. More information about the importance of selecting an appropriate **Target Retirement Age** is contained within this Guide.

The Automatic Switching Strategies are flexible, which means that should your personal circumstances change you can update your preferences so that your Lifestyle Account continues to support your long-term financial plans.

Advantages	Disadvantages
• You don't have to choose which fund(s) to invest in as the funds are set in the target strategy. • Target strategies reduce investment volatility as you approach your Target Retirement Age. • Your Lifestyle Account is automatically switched for you as you near your Target Retirement Age. • The automatic switching ensures that your Lifestyle Account is not moved all at once when the markets are low. • The final investment holding is designed for a particular outcome. For example, taking all of your pension pot as drawdown, buying an **annuity** (see glossary), or taking cash withdrawals directly from your Lifestyle Account.	• You do not choose when to change your investment allocation as it is set by the target strategy. • The timing of switches is automatic and happens at fixed times. They don't take market conditions into account which means you may miss out on growth in the market. • The aim of the target strategy may not match the way you intend to use your account or reflect your attitude to risk.

Why is setting your Target Retirement Age important?

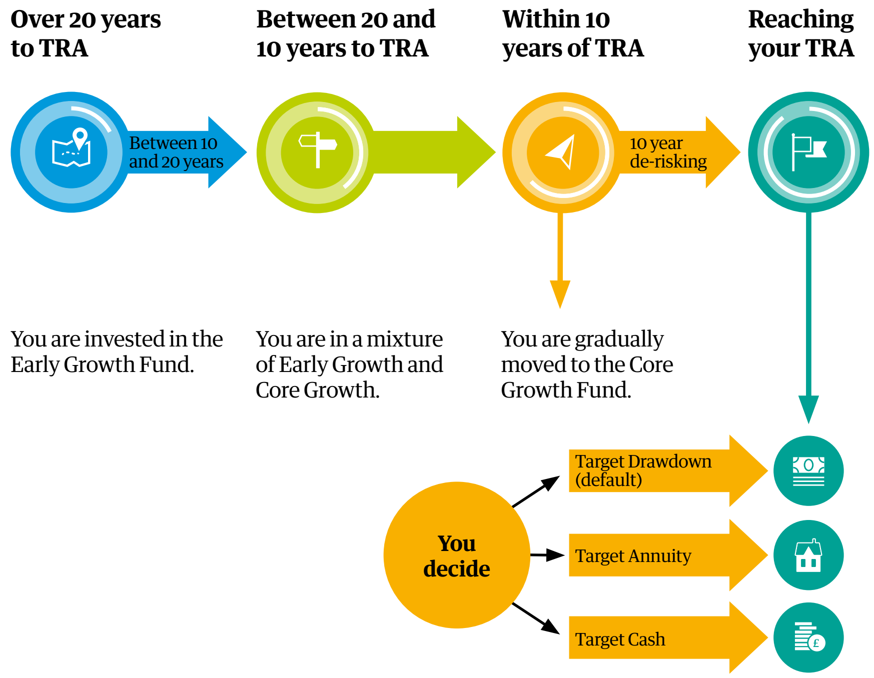
When you join the Plan your Target Retirement Age is automatically set at 65

Your Target Retirement Age (TRA) is the age you think you are most likely to use your Lifestyle Account.
It's important to set your TRA at the age you expect to use the money in your Lifestyle Account. If you invest in any of the Automatic Switching Strategies operated by the Plan the process of switching your investment funds to target your preferred benefit option will commence 10 years prior to your TRA.

If you expect to use your retirement savings after the age of 65, but don't update your TRA to reflect your plans, then your Lifestyle Account will be invested in lower risk investments for a longer period of time. This could result in you missing out on some growth to your Lifestyle Account.

Alternatively, if you intend to use the money in your Lifestyle Account before the age of 65, but don't update your TRA to reflect your plans, then you might find that your Lifestyle Account is prone to fluctuations in value at a time when greater certainty would be required.

You are able to change your TRA at any time and so this is not an exact, or unmoveable, date. It is however important to keep your TRA under review so that your investment allocation remains aligned to your personal circumstances both in terms of when and how you will access your Lifestyle Account. If you find that you need to change or update your TRA then you can do so by completing the Target Retirement Age Change form available via: **www.legalandgeneral.com/theguardianlifestyleplan** or by contacting the helpline on 0345 678 0297.



The Default Investment Strategy: In detail

If you do not make any investment decisions then you will be invested in the Default Investment Strategy with a Target Retirement Age of 65

The Plan is required to have a Default Investment Strategy. The Trustees of the Plan have decided that the Target Drawdown Strategy, one of the Plan's Automatic Switching Strategies, should be used as the Default Investment Strategy. If you do not make any investment decisions you will remain invested in the Default Investment Strategy and your **Target Retirement Age** will be your 65th birthday

How does the Target Drawdown Strategy work?

The Target Drawdown Strategy has been designed so that when you reach your **Target Retirement Age** your Lifestyle Account has an investment allocation that is suitable for moving into an **Income Drawdown Arrangement** (see glossary).

The Target Drawdown Strategy has two important phases.

Phase 1 (The Growth Phase): The investment objective is to provide growth to the value of your Lifestyle Account. Your contributions are invested in the in the **Early Growth Fund** and **Core Growth Fund** depending on how far you are from your Target Retirement Age.

These funds are used in the growth phase of all of the Automatic Switching Strategies, including the Target Drawdown Strategy. Both the **Early Growth Fund** and the **Core Growth Fund** invest in a range of assets designed to achieve growth whilst at the same time limiting the volatility of the investment returns. The **Core Growth Fund** places a greater emphasis on limiting volatility, recognising that you will be invested in this fund when you are closer to your Target Retirement Age.

The Default Investment Strategy: In detail

If you do not make any investment decisions then you will be invested in the Default Investment Strategy with a Target Retirement Age of 65

Phase 2 (The Consolidation Phase): The second phase of the strategy starts when you are 10 years away from your **Target Retirement Age**. During this period your investment allocation will automatically move out of the **Core Growth Fund** and into investment funds that are suitable if you intend to move into an **income drawdown arrangement** (see glossary). When the switching process starts your investments are gradually moved into the **Consolidation Fund** and the **Cash Fund**. When you reach your TRA, you will have 75% of your Lifestyle Account invested in the Consolidation Fund and 25% in the Cash Fund.

The diagram to the right illustrates how your investment allocation will move from the **Early Growth Fund** into the Consolidation Fund and the Cash Fund.

You can find more detail about the underlying investment allocation on these Funds later on the Investment Guide.

Each of the **Early Growth Fund**, the **Consolidation Fund**, and the **Cash Fund** are available on a self-select basis.

There is a section on making self-select investment decisions later in the Investment Guide and you should refer to this section if you are interested in making your own investment decisions, rather than following an Automatic Switching Strategy.

The Target Annuity Strategy: In detail

For those who prefer a regular income when they use the money in their Lifestyle Account

The Target Annuity Strategy is one of the Automatic Switching Strategies available to members of the Plan. It will be most suited to those members who prefer a regular income when they use the money in their **Lifestyle Account** but don't want to manage how their Lifestyle Account is invested.

How does the Target Annuity Strategy work?
The Target Annuity Strategy has been designed so that when you reach your TRA your Lifestyle Account has an investment allocation that is suitable for members who intend to buy an **annuity** (see glossary) and secure a regular income.

The Target Annuity Strategy has two important phases.

Phase 1 (The Growth Phase):
During phase 1 the investment objective is to provide growth to the value of your Lifestyle Account. As with the Target Drawdown Strategy you will be invested in a mix of the **Early Growth Fund** and the **Core Growth Fund** depending on how far you are from your Target Retirement Age.

Phase 2 (The Consolidation Phase):
The second phase of the strategy starts when you are 10 years away from your **Target Retirement Age (TRA).** During this period your investment allocation will automatically move out of the Core Growth Fund. When you reach your TRA, you will have 75% of your Lifestyle Account invested in the **Annuity Targeting Fund** and 25% in the **Cash Fund**.

Initially your investment allocation will switch from the Core Growth Fund into the Annuity Targeting Fund as this will allow for some ongoing investment growth but with a lower level of investment risk.

When you are 5 years into the switching process your investment allocation will be held as 75% in the Core Growth Fund and 25% in the Annuity Targeting Fund. Over the next 5 years the switching process will move towards the final allocation and when you reach your TRA you will have 75% of your Lifestyle Account invested in the Annuity Targeting Fund and 25% in the Cash Fund.

The Target Annuity Strategy: In detail

For those who prefer a regular income when they use the money in their Lifestyle Account

The diagram on the right illustrates how your investment allocation will move from the **Early Growth Fund and Core Growth Fund** into the **Annuity Targeting Fund** and the **Cash Fund**.

You can find more detail about the underlying investment allocation of these Funds later on in the Investment Guide.

Each of the Early Growth Fund, the Core Growth Fund, the Annuity Targeting Fund, and the Cash Fund are available on a self-select basis. There is a section on making self-select investment decisions later in the Investment Guide. You should refer to this section if you are interested in making your own investment decisions rather than following an Automatic Switching Strategy.

The Target Annuity Strategy

The Target Cash Strategy: In detail

For those who prefer a one-off cash amount when they use the money in their Lifestyle Account

The Target Cash Strategy is one of the Automatic Switching Strategies available to members of the Plan. It will likely be most suited to those members with smaller amounts in their Lifestyle Account and who prefer a one-off cash amount when they use the money in their Lifestyle Account but don't want to manage how their Lifestyle Account is invested.

How does the Target Cash Strategy work?
The Target Cash Strategy has been designed so that when you reach your TRA your Lifestyle Account has an investment allocation that is held entirely as cash.

The Target Cash Strategy has two important phases.

Phase 1 (The Growth Phase):
During phase 1 the investment objective is to provide growth to the value of your Lifestyle Account. As with the Target Drawdown Strategy you will be invested in a mix of the **Early Growth Fund** and **Core Growth Fund** depending on how far you are from your Target Retirement Age.

Phase 2 (The Consolidation Phase):
The second phase of the strategy starts when you are 10 years away from your **Target Retirement Age (TRA)**.

During this period your investment allocation will automatically move out of the Core Growth Fund. At the end of the switching period, which occurs when you reach your TRA, you will have 100% of your Lifestyle Account invested in the **Cash Fund**. Initially your investment allocation will switch from the Core Growth Fund into the Consolidation Fund as this will allow for some ongoing investment growth but with a lower level of investment risk.

The Target Cash Strategy: In detail

For those who prefer a one-off cash amount when they use the money in their Lifestyle Account

When you are 5 years into the switching process your investment allocation will be held as 50% in the **Core Growth Fund** and 50% in the **Consolidation Fund**. Over the next 15 years the switching process will move towards the final allocation and when you reach your **TRA** you will have 100% of your Lifestyle Account invested in the **Cash Fund**.

The diagram on the right illustrates how your investment allocation will move fromthe **Early Growth Fund** into the **Consolidation Fund** and the Cash Fund.

You can find more detail about the underlying investment allocation on the **Early Growth Fund, Core Growth Fund** and the **Consolidation Fund** later on in the Investment Guide.

Each of the Early Growth Fund, the Core Growth Fund, the Consolidation Fund, and the Cash Fund are available on a self-select basis.

There is a section on making self-select investment decisions later in the Investment Guide if you are interested in making your own investment decisions rather than following an Automatic Switching Strategy.

The Target Cash Strategy

The Investment Funds in more detail

Further information
www.legalandgeneral.com/theguardianlifestyleplan

The Early Growth Fund and the Core Growth Fund

Helping your Lifestyle Account grow

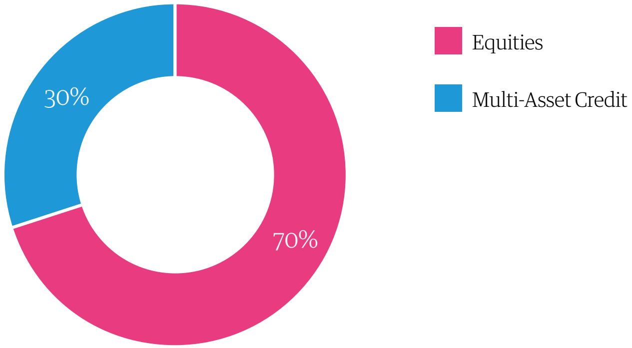
The Early Growth Fund and the Core Growth Fund are designed to deliver long term growth and for this reason play a significant role in each of the three Automatic Switching Strategies.

The Early Growth Fund carries the highest level of risk of the funds in the Default Investment Strategy. It is intended for members who are still a significant period from retirement and are able to accept a higher degree of risk in return for greater expected long term growth. The Core Growth Fund invests in a wider range of assets and, while it is still designed to help members grow their savings, it carries less risk than the Early Growth Fund. It is intended for members who are nearing the end of the Growth Phase.

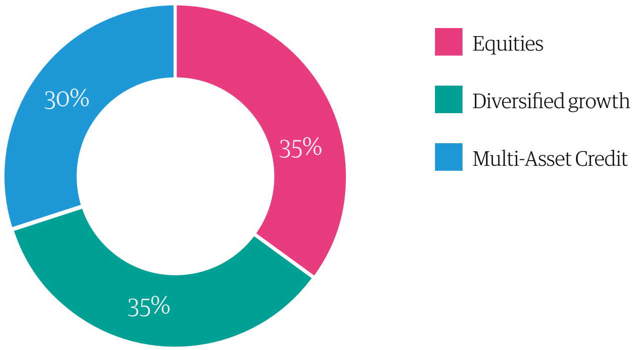
The Early Growth Fund has a 70% allocation to Global Equities and a 30% allocation to **Multi-Asset Credit**.

The Core Growth Fund has a 35% allocation to Global Equities, a 35% allocation to a Diversified Fund and a 30% allocation to Multi-Asset Credit.

Early Growth Fund



Core Growth Fund



Global Equities

Generally speaking equities are expected to deliver growth over the long term and are therefore thought of as an appropriate investment for pension scheme members. However, in the shorter term the value of equities can be more volatile than other investment types, particularly during periods of economic or political uncertainty. The Early Growth Fund and the Core Growth Fund therefore do not invest wholly in Global Equities so that the level of volatility isn't too high.

The use of Global Equities, rather than only UK equities, has the benefit of diversifying the equity exposure across different regions. This wider exposure has many benefits but also results in the investments being held in different currencies. This means that movements in exchange rates have a direct effect on the value of the investments when converted into pounds sterling. The Global Equities are invested in line with the Sustainable Future Fund. Among other things, this involves excluding companies associated with fossil fuel reserves and/or significant emissions and prioritising those companies that actively contribute to a greener economy. This is intended to reduce the risk associated with the climate emergency and the transition to a green economy while also accessing the opportunities it brings.

The Core Growth Fund

Multi-Asset Credit

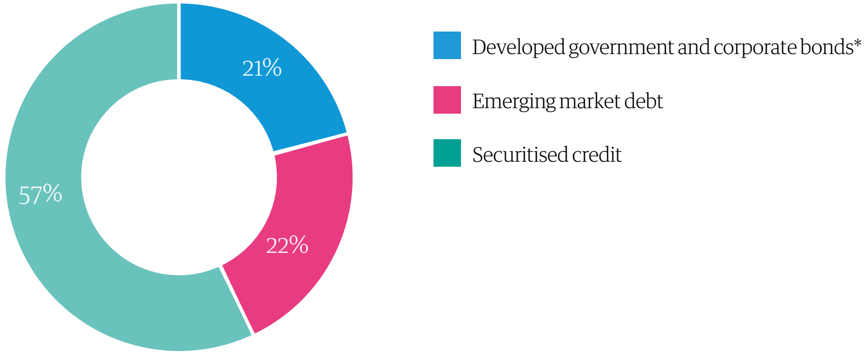
Both the Early Growth Fund and the Core Growth Fund have a 30% allocation to the Multi-Asset Credit. The purpose of this fund is to help reduce the level of volatility that can be associated with equities and to access a wider range of investment opportunities.

The fund will invest in a broad range of fixed income securities including government bonds, corporate bonds, and securitised credit. It also invests across developed and emerging markets.

The investment manager decides on the asset mix of the fund and this will change from time to time.

The current detailed asset mix of the Multi-Asset Credit Fund as of 31st March 2021 is shown in the chart to the right.

The allocation of the Multi-Asset Credit Fund



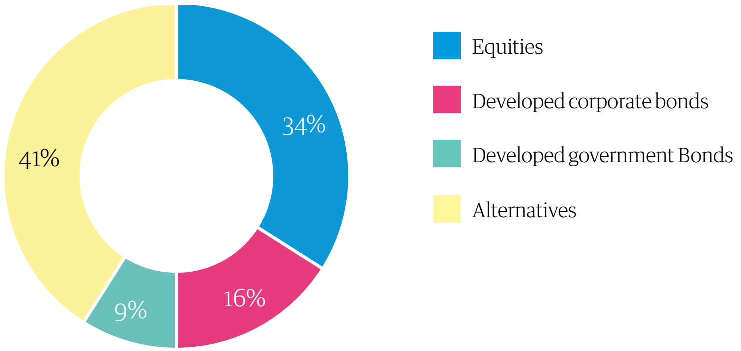
Diversified Fund

The Core Growth Fund also has a 35% allocation to the Diversified Fund. The purpose of this fund is to help reduce the level of volatility that can be associated with equities. The fund will hold up to 50% in bonds, and the remaining proportion will be held in a range of assets which may include equities, property, commodities, listed infrastructure, private equity and global real estate companies. By investing across a range of assets the risk of significant fluctuations is reduced.

The investment manager decides on the asset mix of the Diversified Fund and this will change from time to time.

The current detailed target asset mix of the Diversified Fund as at 31st March 2021 is shown in the chart to the right.

The target allocation of the Diversified Fund

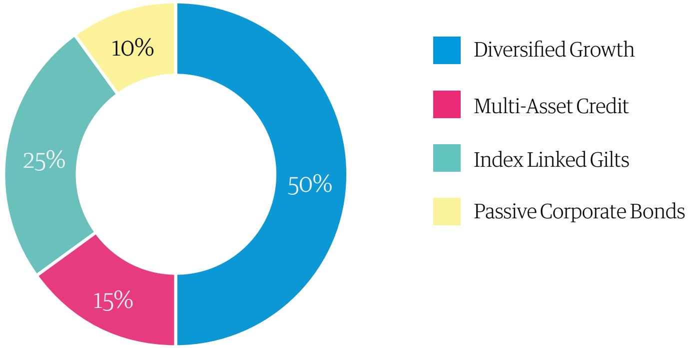


The Consolidation Fund

Maintaining investment growth with lower investment risk

Consolidation Fund
The Consolidation Fund is designed to be an appropriate fund to gradually switch your Lifestyle Account into as you approach your TRA. It has a lower risk profile, and therefore a lower expected level of return, than the **Early Growth Fund and the Core Growth Fund** and is suitable for those looking to move into income drawdown (see glossary) as a way of using the money in their Lifestyle Account.

The target asset distribution of the Consolidation Fund is summarised in the diagram to the right.



Multi-Asset Credit and the Diversified Fund were discussed earlier. Corporate Bonds (see glossary) are issued by companies and are considered to be lower risk than equities (see glossary). Gilts are like Corporate Bonds but issued by government and are therefore considered to be lower risk than Corporate Bonds. **An earlier section of this guide** discussed the risk and reward associated with investments. Due to the lower risk associated with these investments the expected return is also lower.

In addition to the Multi-Asset Credit Fund, both the Corporate Bond Fund and the Index-Linked Gilt Fund are available on a self-select basis. Refer to the next page for further details about self-selecting.

Self-Select Funds

Target strategies aren't for everyone

As discussed the Plan provides 3 Automatic Switching Strategies that have been designed to target specific benefit options.

Although every effort has been made to make these strategies suitable for most members you may prefer to make your own investment choices rather than follow a pre-defined strategy. If this is the case then you can become a "self-select" member. This means that you can invest in any of the 12 investment funds in whatever allocation you choose.

It is important to note that if you are a self-select member then your investment allocation will not automatically switch as you get nearer to your Target Retirement Age.

The range of Self-Select Funds
The following pages show each of the 12 investment funds that are available on a self-select basis.

For each investment fund a risk/reward rating on a scale of 1 to 7 has been included. A risk/reward rating of 1 represents the lowest risk with a score of 7 representing the highest risk.

Also shown is the investment management charge applied to each of the 12 investment funds.

Flexibility:

- You can make different choices for your accumulated Lifestyle Account and your future contributions as they are paid into your Lifestyle Account.
- You can make all your investment decisions via Manage Your Account which you can access by visiting **www.legalandgeneral.com/theguardianlifestyleplan** and then logging onto Manage Your Account.

Points to consider:

- When choosing how to invest your Lifestyle Account, it's important to consider how you are most likely to use your Lifestyle Account at retirement.
- You should make sure that you are comfortable with the level of investment risk that you are taking.
- You should remember that when you are a self-select member that your investment allocation will not switch automatically as you approach your TRA.

Self-Select Funds

Sustainable Future Fund

Risk/ Reward 5

The investment objective of the Fund is to closely match the risk and return characteristics of the MSCI World Custom ESG Climate Series A Index (the "Index") with net dividends reinvested.

The fund is invested 100% in NT World Green Transition Index Fund.

Investment Management Fees 0.16%

UK Equity Fund*

Risk/ Reward 6

The investment objective of the Fund is to provide exposure to the FTSE All-Share Index whilst restricting the maximum weighting of any individual stock to 5%. All remaining UK stocks are included in proportion to their weightings in the FTSE All-Share Index. The Fund achieves its objectives by investing in the UK Core Equity Index Fund and Single Stock Equity Funds.

The fund is invested 100% in UK Equity (5% Capped) Passive Fund.

Investment Management Fees 0.06%

Early Growth Fund (Self-select)

Risk/ Reward 5

The Early Growth Fund is designed to help members grow their retirement savings when they are far away from their Target Retirement Age. The Early Growth Fund holds the highest level of risk of the funds used in the Default Investment Strategy.

The fund is invested 70% in NT World Green Transition Index Fund and 30% in PIMCO GIS Income Fund.

Investment Management Fees 0.31%

Each fund has been given a risk/reward rating to help you to decide where to invest. A risk/reward rating of 1 represents the lowest level of risk but also the lowest likelihood of good long term returns. A risk/reward rating of 7 represents the highest level of risk but also the highest likelihood of good long term returns.

Self-Select Funds

UK Government Stocks Index Linked Fund

Risk/Reward 6

The investment objective of the Fund is to track the performance of the FTSE A Index-Linked (All Stocks) Index to within +/-0.25% p.a. for two years out of three.

The fund is invested 100% in All Stocks Index - Linked Gilts Index Fund.

Investment Management Fees 0.06%

Annuity Targeting Fund

Risk/Reward 5

The Fund aims to provide diversified exposure to assets that reflect the investments underlying a typical traditional level annuity product.

The fund is invested 100% in Pre-Retirement Fund.

Investment Management Fees 0.09%

Consolidation Fund (Self-select)

Risk/Reward 4

The Consolidation Fund is designed to provide diversification for your savings with a lower risk profile than the Early Growth Fund and Core Growth Fund. This is to provide greater protection against unfavourable market conditions as you approach retirement.

The fund is invested 25% in 5 to 15 Year Index-Linked Gilts Index Fund, 10% in AAA-AA-A Corporate Bond - All Stocks - Index Fund, 15% in PIMCO GIS Income Fund and 50% in Diversified Fund.

Investment Management Fees 0.26%

Each fund has been given a risk/reward rating to help you to decide where to invest. A risk/reward rating of 1 represents the lowest level of risk but also the lowest likelihood of good long term returns. A risk/reward rating of 7 represents the highest level of risk but also the highest likelihood of good long term returns.

Self-Select Funds

Core Growth Fund (Self-select)

Risk/ Reward 4

The Core Growth Fund invests in a wider range of assets than the Early Growth Fund. It is designed to help members grow their retirement savings but with less risk than the Early Growth Fund.

The fund is invested 35% in NT World Green Transition Index Fund, 35% in Diversified Fund and 30% in PIMCO GIS Income Fund.

Investment Management Fees 0.34%

Corporate Bond Fund (Active)

Risk/ Reward 4

The investment objective of the Fund is to outperform the performance of the Bloomberg Barclays U.S. Aggregate (GBP Hedged) Index.

The fund is invested 100% in PIMCO GIS Income Fund.

Investment Management Fees 0.63%

Corporate Bond Fund (Passive)

Risk/ Reward 4

The investment objective of the Fund is to track the performance of the Markit iBoxx £ Non-Gilts (ex-BBB) Index to within +/-0.5% p.a. for two years out of three.

The fund is invested 100% in AAA-AA-A Corporate Bond - All Stocks - Index Fund.

Investment Management Fees 0.08%

Each fund has been given a risk/reward rating to help you to decide where to invest. A risk/reward rating of 1 represents the lowest level of risk but also the lowest likelihood of good long term returns. A risk/reward rating of 7 represents the highest level of risk but also the highest likelihood of good long term returns.

Self-Select Funds

Overseas Equity Fund

Risk/Reward 5

The aim of the Overseas Equity Fund is to invest in a wide range of company shares in Europe, North America, Japan, Pacific Basin and emerging markets to provide long term growth.

The fund is invested in the following percentages:

North America Equity Index Fund	21.75%
North America Equity Index Fund - GBP Currency Hedged	21.75%
Europe (ex-UK) Equity Index Fund	12.50%
Europe (ex-UK) Equity Index Fund - GBP Currency Hedged	12.50%
Japan Equity Index Fund	2.90%
Japan Equity Index Fund - GBP Currency Hedged	6.60%
Asia Pacific (ex-Japan) Developed Equity Index Fund	6.60%
Asia Pacific (ex-Japan) Developed Equity Index Fund - GBP Currency Hedged	2.90%
World Emerging Markets Equity Index Fund	12.50%

Investment Management Fees 0.11%

UK Government Stocks Fund

Risk/Reward 4

The investment objective of the Fund is to track the performance of the FTSE A Government (All Stocks) Index to within +/-0.25% p.a. for two years out of three.

The fund is invested 100% in the All Stocks Gilts Index Fund.

Investment Management Fees 0.06%

Each fund has been given a risk/reward rating to help you to decide where to invest. A risk/reward rating of 1 represents the lowest level of risk but also the lowest likelihood of good long term returns. A risk/reward rating of 7 represents the highest level of risk but also the highest likelihood of good long term returns.

Self-Select Funds

Cash Fund

Risk/ Reward
1

The Cash Fund invests in the Sterling Liquidity Fund (SLF) whose objective is to provide capital stability, liquidity and diversification while providing a competitive level of return.

The fund is invested 100% in Sterling Liquidity Fund.

Investment Management Fees 0.10%

Each fund has been given a risk/reward rating to help you to decide where to invest. A risk/reward rating of 1 represents the lowest level of risk but also the lowest likelihood of good long term returns. A risk/reward rating of 7 represents the highest level of risk but also the highest likelihood of good long term returns.

Additional Information

Your questions answered

How can I use my Lifestyle Account at retirement?
There are a number of ways that you can use your Lifestyle Account as you approach retirement, these are:

- **Income Drawdown** - accessing your Lifestyle Account a bit at a time
- **Purchase an Annuity -** converting your Lifestyle Account into a regular guaranteed income
- **A Cash Lump Sum -** taking all of your money from your Lifestyle Account in one go

To find out more details about these options please visit **www.legalandgeneral.com/theguardianlifestyleplan** or go to the Member Guide on the website.

How do I monitor fund performance?
Every day, the unit prices for each of the funds are updated and the value of your Lifestyle Account can be viewed by logging into Manage Your Account. In addition you can also view the fund fact sheets **here**.

The Trustees employ independent advisers to monitor the funds' investment returns. It should be noted that all of the funds are designed to track specific indices and therefore the investment return should be broadly in line with the relevant investment market.

Each year, you will be sent a benefit statement showing the value of your Lifestyle Account, contributions paid in, and investment returns.

In addition you can view in-depth investment fact sheets, for each fund, showing investment performance at **www.legalandgeneral.com/theguardianlifestyleplan** or via Manage Your Account.

How do I change my mix of investments?
Adjustments can be made by logging into Manage Your Account which you'll find at **www.legalandgeneral.com/theguardianlifestyleplan**

Where can I get financial advice?
For general pensions, tax and financial advice you may want to consider getting your financial affairs reviewed by an Independent Financial Adviser (IFA) who would be able to advise on your pension as well as other aspects of your personal finances. You can find a local IFA via the website **www.unbiased.co.uk**

Glossary

This glossary aims to provide a relatively straightforward explanation of some of the technical phrases used in this Investment Guide

The exact interpretation of words used is always subject to the definitions used in the Trust Deed and Rules of The Guardian Lifestyle Plan.

Alternatives
Investments that do not fit into the traditional or mainstream areas of equities, bonds or property. Examples of alternatives include commodities, private equity or hedge funds. They are typically invested in to provide diversification.

Annuity
At retirement you can exchange some, or all, of your Lifestyle Account for a guaranteed retirement income paid by an insurance company. This gives you regular payments, usually monthly and usually for life. There are different types of annuity and options for you to choose from, including a standard or non-standard annuity, an increasing or non-increasing annuity, a spouse's annuity payable on your death and an enhanced annuity if you have health problems.

Core Growth Fund
This is one of the Plan's investment funds. It is designed to meet the needs of members for long-term growth, particularly when members are nearing the end of the Growth Phase.

Consolidation Fund
This is one of the Plan's investment funds. It is designed to meet the needs of members to reduce risk, particularly as members approach TRA within the Default Investment Strategy.

Corporate Bonds
Similar to government bonds, but they are issued by non-government agencies and companies. Interest is paid at a fixed rate over the term of the bond and the capital is repaid at the end of the term. Corporate bonds are rated by independent organisations according to their ability to be able to pay the interest payments and the capital at the end of the term. Investment grade bonds are those rated AAA, AA, A and BBB, with the highest rating AAA, followed by AA, A and BBB. Corporate bonds rated below this are known as sub-investment grade, high yield or "junk" bonds. The value of bonds can move up or down for example due to changes in rating or interest rates.

Default Investment Strategy
Every pension scheme has a default investment option designed for those members who do not make their own investment decisions. The Default Investment Strategy for The Guardian Lifestyle Plan is the Target Drawdown Strategy, one of the Automatic Switching Strategies.

Glossary

Defined Contribution (DC) pension schemes

Also known as Money Purchase pension schemes, these are schemes where individuals build up an account of money in their own name. The size of the account depends on contributions paid in and investment growth.

Diversified Fund

A fund that invests up to 50% in bonds, with the remaining proportion held in a range of assets that may include equities, property, commodities and listed infrastructure, private equity and global real estate companies. By investing across a range of assets the risk of significant fluctuation is reduced. The investment manager decides on the asset mix of the Diversified Fund and this will change from time to time.

Diversified Growth Fund (DGF)

A fund that invests in a wide range of different assets both in the UK and overseas, such as equities, government bonds, corporate bonds, property, infrastructure and commodities, with the aim of delivering long-term growth with less volatility than equities. The manager changes the mix of assets at least annually according to their views of which assets will deliver growth.

Early Growth Fund

This is one of the Plan's investment funds. It is designed to meet the needs of members for long-term growth, particularly when members are towards the start the end of the Growth Phase.

Equities

Ordinary shares in companies or stock market investments. In the context of the Lifestyle Plan we mean investment in a wide range of companies rather than just one company. "UK equities" refers to investing in companies quoted on the London Stock Exchange although most of these companies do have trading operations all over the world. "Overseas equities" invest in stock markets outside the UK. "Global equities" means investment in stock markets in both the UK and overseas.

FTSE All Share Index

The All Share Index is generally regarded as the most representative index of the overall UK stock market. The index currently comprises over 700 UK companies and represents over 95% of the value of the stock market.

Glossary

FTSE All Share (5% Capped) Index
As above, but no more than 5% of the Index is invested in any one company. The Guardian Lifestyle Plan uses this index f or its "UK equities" to reduce the risk of having too much money invested in one or more of the very large companies on the stock market.

Government Bonds or "Gilts"
Securities issued by the UK government and therefore the interest payments and the capital repaid at the end of the term are guaranteed and can be regarded as absolutely secure. Their value can move up or down, for example due to changes in interest rates.

iBoxx Index
This is a specially constructed index designed to provide a reliable benchmark for index tracking of corporate bond investments.

Income Drawdown Arrangement
You can transfer out your Lifestyle Account to an income drawdown arrangement. This allows you to take an income directly (rather than using your account to buy an annuity), while your income drawdown account stays invested, so its value can go up and down.

Index Tracking
The term given to an investment approach that is designed to specifically track the performance of a market index.

Legal and General Investment Management Limited
Investment managers and administration provider, appointed by the Trustees, to manage the funds available to Guardian Lifestyle Plan members.

Lifestyle Account
Your personal account of money which you build up in The Guardian Lifestyle Plan. It comprises your own contributions, company contributions and investment growth.

Money Purchase Pension Scheme
The Guardian Lifestyle Plan is sometimes referred to as a money purchase pension scheme or a defined contribution pension scheme. This means that contributions made by you and the company are invested until you are ready to draw your benefits. There are a variety of choices available to you at retirement, you can learn more about this in the member booklet.

Glossary

Risk and reward
This is known as the direct relationship between possible risk and reward which holds for a particular situation. To realise greater reward one must generally accept a greater risk, and vice versa. Also called risk/return tradeoff. Some of the funds are higher risk. The higher the risk, the more chance there is that your investments won't perform how you want them to. On the other hand, higher risk options also come with a greater chance that your savings will grow by more.

How much risk you're prepared to take when you invest your savings will depend on your own circumstances and you should think carefully about the level of risk you're comfortable with.

Switching
If you are in the Default Investment Strategy, the investments in your Lifestyle Account are normally automatically switched out of the **Early Growth Fund** as you approach retirement to gradually reduce volatility. For many members this is a suitable arrangement and it is an important feature of the Lifestyle Plan. This is often referred to as lifestyle switching and is reflected in the name of the company pension scheme.

Securitised credit
This asset class is a type of debt, like government and corporate bonds. An investor in securitised credit will receive interest and redemption payments from a pool of loans. These loans can range from credit card debt, to car loans, and to mortgages. Similar to corporate bonds, the main risk is that the loans are not repaid. However, this way of investing provides diversification to manage this risk, since an individual investor will gain exposure to a wide range of underlying loans.

Target Retirement Age (TRA)
This is the date you set for yourself to control the timing of the switching of your Lifestyle Account out of the Early Growth Fund, under the Default Investment Strategy. It does not mean you must retire at TRA, it is simply the way in which you can have personal control over the investment of your Lifestyle Account in the years leading up to your expected retirement. You can change your TRA at any time to reflect your best estimate of when you think you may start taking an income/cash from your Lifestyle Account.

Glossary

Tax-free cash
Normally up to 25% of your Lifestyle Account can be taken as tax-free cash at retirement.

Volatility
A fund can go up or down in value.
The extent to which its value might change, and how often, will determine whether it's regarded as having high, moderate or low volatility. For example, the value of a fund that invests in shares can change by a relatively large amount on a daily basis. This type of fund is regarded as having high volatility.

The value of a cash fund, however, is likely to change by only a relatively small amount over a number of months. This type of fund is regarded as having low volatility.

Sources of help, guidance and broader information

The role of the Trustees
The role of the Trustees is to provide an appropriate range of funds for members and to review the investment strategies of the various funds from time to time.

The Trustees' investment strategy is set out in their Statement of Investment Principles, which is available on our website **www.legalandgeneral.com/theguardianlifestyleplan** or 0345 678 0297

moneyhelper.org.uk/pensionwise
Provided by MoneyHelper, a government organisation, Pension Wise provides free and impartial service to help you understand your choices at retirement.

www.unbiased.co.uk
Listings of local independent financial advisers, plus a large amount of savings information.

www.moneyhelper.org.uk
Jargon-free guidance on a wide range of topics from MoneyHelper in partnership with government.

www.theguardian.com/uk/money
A constantly updated site with news and information on personal finance.

Note: This guide is designed to explain the main aspects of the investment arrangements of The Guardian Lifestyle Plan. All aspects of the Plan are subject to the provisions of the Trust Deed and Rules.

Contact Details
For further information about The Guardian Lifestyle Plan, please contact 0345 678 0297